Message Text

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PAGE 01 PEKING 01449 050927Z

53

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SUBJECT: PRC SILK PRODUCTS MINI-FAIR

REF: PEKING 1301

SUMMARY: ACCORDING TO PRC TRADE OFFICIALS, THE TALIEN SILK PRODUCTS MINI-FAIR WHICH CLOSED AUGUST 5 WAS A COMMERCIAL SUCCESS. CALLED SIMPLY - A "NEGOTIATING SESSION" AND NOT A "FAIR", BY THE CHINESE, THE EVENT WAS HELD AT A HOTEL JUST OUTSIDE THE CITY. THERE WERE NO DISPLAYS AND TRADERS WERE ASKED TO MAKE THEIR SELECTIONS FROM CLOTH SWATCHES. OVER 400 BUSINESSMEN FROM 14 COUNTRIES, INCLUDING REPRESENTATIVES FROM FIVE U.S. FIRMS, TOOK PART. END SUMMARY

1. AN ESTIMATED 400 FOREIGN BUSINESSMEN, INCLUDING REPRESENTATIVES OF FIVE AMERICAN FIRMS, ATTENDED THE CHINESE SILK PRODUCTS "NEGOTIATING SESSION" IN TALIEN FROM JULY 22 TO AUGUST 5. NOT EXACTLY A "MINIFAIR", THE EVENT TOOK PLACE AT A TALIEN HOTEL JUST OUTSIDE THE CITY WHERE VISITORS TO THE SESSION WERE ALSO LIMITED OFFICIAL USE

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PAGE 02 PEKING 01449 050927Z

HOUSED. THE SESSION WAS SPONSORED BY THE SILK PRODUCTS

DEPARTMENT OF THE CHINA NATIONAL TEXTILE IMPORT AND EXPORT CORPORATION, BUT IN AN UNUSUAL TWIST, THE TALIEN BRANCH OF THE CHINA NATIONAL CEREALS OILS AND FOODSTUFF CORPORATION ALSO TOOK PART.

- 2. ACCORDING TO REPORTS FROM SEVERAL WESTERN BUSINESS-MEN WHO ATTENDED, THERE WERE NO DISPLAY AREAS AND NEGOTIATIONS WERE CONDUCTED IN ROOMS SPREAD OUT OVER SIX FLOORS OF THE HOTEL. ONLY SILK AND SYNTHETIC (MOSTLY RAYON) TEXTILES WERE ON SALE AND TRADERS WERE ASKED TO MAKE THEIR SELECTIONS FROM ALBUMS OF CLOTH SWATCHES. NO GARMETS WERE OFFERED OR TEXTILES MADE FROM OTHER MATERIALS. PRICES WERE SIMILAR TO THOSE OFFERED AT THE SPRING CANTON FAIR, AND BUSINESS APPEARED BRISK. MADAME HAN FANG-YU OF CHINATEX STATED TO A USLO OFFICER AUGUST 2 THAT THE SESSION HAD BEEN A COMMERCIAL SUCCESS, BUT DECLINED TO GIVE A FIGURE FOR TOTAL SALES, AS DID OFFICIAL IN TALIEN.
- 3. OF THE SEVEN U.S. FIRMS WHICH WERE SENT INVITATIONS, FIVE COMPANIES INCLUDING WELLMAN, INC., WHITING MANUFACTURNING CORP., BLUM INTERNATIONAN, THREDEX, AND FIRST NATIONAL TRADING, SENT REPRESENTATIVES. NO ESTIMATE IS AVAILABLE FOR TOTAL U.S. PURCHASES, BUT REPRESENTATIVES OF BLUM AND WELLMAN SAID THEY EACH BOUGHT ABOUT \$50,000 OF SILK. ROSS WHITING OF THE WHITING MANUFACTURING CORP. SAID HE DID NOT BUSINESS IN TALIEN. THE AMERICANS WERE WARMLY RECEIVED BY CHINATEX MOST AGREED THAT THE FAIR MADE THE LONG TRIP TO TALIEN (17 HOURS BY TRAIN FROM PEKING) WORTH THE EFFORT.
- 4. AMONG THE 14 COUNTRIES REPRESENTED, THE LARGEST CONTINGENT OF TRADERS (ABOUT 70 PERCNET) CAME FROM JAPAN, BUT FIRMS FROM CANADA, WESTERN EUROPE, AND THE ARAB STATES ALSO TOOK PART. WHILE THE SESSION WAS PRIMARILY AIMED AT BOOSTING SALES TO JAPAN, THE CHINESE OFFERED SEVERAL REASONS FOR CHOOSING TALIEN AS A SITE. ACCORDING TO SOME CHINESE, OFFICIALS, THE EVENT WAS HELD IN TALIEN TO BOOST SAGGING SALES OF TUSSAH LIMITED OFFICIAL USE

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PAGE 03 PEKING 01449 050927Z

SILK, WHICH IS MOSTLY PRODUCED IN THE NORTHEAST. OTHER OFFICIALS SAID SIMPLY THAT TALIEN OFFERED THE DUAL ADVANTAGES OF COOL SUMMER WEATHER AND AN EMPTY HOTEL.

5. DESPITE THE FAIR'S UNUSUAL SETTING AND FORMAT, MOST OF THE BUSINESSMEN INTERVIEWED SAID THEY ENJOYED THE EXPERIENCE; ADDING THAT THE OPPORTUNITY FOR PERSONAL

CONTACT WITH THE CHINESE AND NOT ANTICIPATED PURCHASES WAS THEIR MAIN REASON FOR ATTENDING. TRANDER SAID THE SESSION'S RELAXED ATMOSPHERE PROVIDED TIME FOR THOROUGH DISCUSSIONS OF BUSINESS PROBLEMS, WHICH THEY FELT WAS IMPORTANT FOR DEVELOPING THEIR LONG-TERM BUSINESS RELATIONSHIPS WITH CHINA.

6. FOR INFORMATION OF DEPARTMENT OF COMMERCE, A SIMILAR GARMENT FAIR NOW BEING HELD IN PEKING FOR JAPANESE AND HONG KONG BUYERS ONLY.
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